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C O N F I D E N T I A L PANAMA 000220

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TAGS: [PGOV](#) [PM](#)  
SUBJECT: PANAMA: IN WAKE OF PRD CONVENTION, PRIMARIES BEGIN  
IN EARNEST

REF: PANAMA 206

Classified By: POLCOUNS Brian R. Naranjo. Reasons: 1.4 (b), (c), and (d)

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Summary  
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11. (C) In the wake of the governing Revolutionary Democratic Party (PRD) March 9 convention, Panama City Mayor Juan Carlos Navarro acted quickly to launch his campaign to win the PRD's presidential nomination on March 12. The convention left Torrijos in control of the party, though leftist or "tendencia" faction members lead by Minister of Housing Balbina Herrera made significant gains. Seeking to forestall Herrera's entry into the PRD primary race, Navarro secured the visible support of President Martin Torrijos, most of the newly elected PRD National Executive Committee (CEN) members, and most of the city councilmen from Panama's two largest municipalities, Panama City and San Miguelito. Meanwhile, across town on March 12, Herrera held a thanksgiving mass for her victory as PRD President at which she publicly acknowledged that she was considering whether to run for Mayor of Panama, as has been her public aspiration to date, or instead to run for President of the Republic. Herrera said she would take forty days to listen to the desires of the "people" before deciding. Should Herrera decide to run for president, this development could help encourage Panamenista presidential nomination candidate Marco Ameglio, who has long coveted the mayor's job, to walk away from his presidential campaign to run for mayor. Martinelli and Patriotic Union (UP) continued to look for alliance partners. May is shaping up to be a big political month when Herrera may decide to contest the PRD presidential nomination, the Panamenista field may thin out, and Martinelli, MOLIRENA and UP may lock down alliance partners.

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PRD Convention Produces Mixed CEN  
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12. (U) Revolutionary Democratic Party (PRD) delegates held their eighth ordinary congress, or convention, on March 9 at Panama City's National Stadium. Nearly 97 percent of the 4,200 delegates elected on January 12 in a nationwide PRD poll turned out to vote to install a new National Executive Committee (CEN). The following won election to seats on the CEN:

-- President: Balbina Herrera -- Minister of Housing, publicly declared as PRD candidate for Mayor of Panama City,

but also prospective PRD presidential nomination candidate;

-- 1st VP: Elias Castillo -- National Assembly Deputy

-- 2nd VP: Benjamin Colamarco -- Minister of Public Works and former leader of the Noriega-era Dignity Battalions;

-- SecGen: Martin Torrijos -- President

-- 1st Sub-Secretary: Juan Carlos Navarro -- Mayor of Panama City and declared PRD presidential nomination candidate;

-- 2nd Sub-Secretary: Hector Aleman -- National Assembly Deputy and former Minister of Government and Justice;

-- 3rd Sub-Secretary: Pedro Miguel Gonzalez -- President of the National Assembly and subject of a U.S. federal indictment in connection with the 1992 murder of a U.S. serviceman in Panama;

-- 4th Sub-Secretary: Belgis Castro -- Minister of Education; and

-- 5th Sub-Secretary: Rodrigo Diaz -- private businessman.

13. (C) The CEN election results are actually somewhat more mixed. Generally, Herrera's allies on the CEN are considered to be: Colamarco, Aleman, Gonzalez, and Castro; Balbina and these four presumed allies would be able to control the nine person CEN. Colamarco and Castro, however, ran and secured their seats while running on Torrijos' ticket. Castro is probably more of a swing vote who may lean slightly toward Herrera. Gonzalez is something of an outlier whose sympathies generally lie with Herrera's views and positions,

but who tends to operate independently. Both Castro and Aleman won their CEN seats by comparatively thinner margins than other members, and Gonzalez's victory is to a large extent due to the extremely weak field against which he ran. Aleman will most likely continue to be Herrera's closest ally and political soul mate. Diaz, seen as a solid Torrijos supporter, was also one of Herrera's most important financiers in her race for PRD President. Furthermore, in the PRD, the secretary-general seat, not the presidency, is the position that holds the most power and controls the party apparatus. Torrijos has not convened the CEN much over the past five years, preferring instead to meet with various CEN members on a one-on-one basis or in smaller informal groups; post expects that Torrijos will continue to manage the CEN in this fashion. In sum, while the make-up of the CEN is somewhat more leftist or "tendencia," in practice it remains to be seen whether there will be any new direction and Torrijos remains in control, along perhaps by a smaller margin.

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Navarro Launches Campaign with Torrijos at Side  
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14. (U) Wasting no time, Panama City Mayor Juan Carlos Navarro formally launched on March 12 his campaign to secure the PRD presidential nomination at his campaign headquarters in the working class Panama City neighborhood of Parque LeFevre. In an unmistakable signal that Navarro would be the PRD "establishment" candidate, President Martin Torrijos accompanied Navarro on the stage, remaining with Navarro on stage for about the first five minutes of the rally. Amid the clamor and hubbub of the rally, POLCOUNS had difficulty distinguishing between Torrijos and Navarro as they were both dressed the same, their voices were similar and their addresses to the crowd were nearly identical; "Coincidence?," Panama City newspaper commented, regarding this difficulty. Also, on stage with Navarro and Torrijos were fellow CEN members Castillo, Gonzalez, Castro and Diaz. Noticeably absent were Aleman and Herrera. According to press reporting, the majority of the city councilmen for Panama City and San Miguelito -- the largest and second largest municipalities in the country -- were also present.

15. (U) In a combative and partisan speech, Navarro vowed to continue the "good work" of the Torrijos Administration. He said he would "maintain the economic policies that "guaranteed stability" in the country and "fiscal surpluses," as enjoyed over the past two years. He also promised to promote greater decentralization. A lifetime environmentalist, Navarro received a significant amount of applause for his promising to protect the environment, the degradation of which was effecting the well-being of the Panamanian people. Additionally, he promised to strengthen education, fight crime, and increase general law and order. On the whole though, the speech was long on partisanship and short on policy substance.

16. (C) Navarro political advisor Ivan Gonzalez acknowledged to POLCOUNS on March 9 on the margins of the PRD convention that whatever pact had previously existed between Navarro and Herrera to support Navarro for the presidency and Herrera for the mayor of Panama City was now in a shambles. Gonzalez said that Navarro had decided to move up his formal campaign announcement to March 12, and his team was already actively distributing campaign literature, hats, banners and other paraphanelia. POLCOUNS saw Navarro's presidential campaign operatives out in force at the convention advocating for Navarro for the PRD presidential nomination. Navarro told POLCOUNS on March 9 that he was ready for a tough PRD primary, believed he had the best campaign in the field, and enjoyed the support of Torrijos. In an aggressive television, radio and newspaper advertising campaign immediately after the convention, Navarro emphasized that now that the PRD's internal election process was completed it was time for the party to unify (ostensibly behind him) to march forward toward his presidential victory in May 2009. For her part, Herrera launched an advertising campaign primarily in newspapers that also call for unity but that do not mention her as a candidate for the PRD presidential nomination.

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Balbina: "I am at a Cross-Roads."  
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17. (C) Herrera, as Navarro was across town launching his campaign, hosted March 12 a thanksgiving mass at the Saint Michael the Archangel Church in the Panama City slum of Calidonia. To the press, she commented, "I am not sure whether I will stand for the Presidency of the Republic or the Mayor of Panama (City). I am at a cross-roads." Saying that she would take forty days before making her final decision, Herrera told the press, "I ask that God give me the ability to discern, the intelligence, wisdom, the understanding, and the ability to analyze to enable me to make the best decision for the country." Looking to the heavens, she added, "It cannot be my personal decision." Herrera indicated that she would embark on a "listening" tour of the country to divine the "people's" intentions. When calling back to confirm her acceptance of an invitation to lunch with Ambassador on March 27, a gleeful Herrera told POL Assistant, "You see. Nobody believed me. They thought I was weak." Asked when she might launch her campaign, Herrera stated, "We'll see. I'm still with friends and people in the business to see what they think."

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Panamenista Race Clarifies  
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18. (C) Meanwhile, the Panamenista race might be narrowing to a three-way race with the prospect that Marco Ameglio would drop out of the race to secure the party's presidential nomination. Increasingly, speculation on the street was that Ameglio, who had long coveted the Mayor of Panama City and who was trailing badly in the race for the Panamenista presidential nomination, would end his presidential run and declare instead for the mayoral race should Herrera announce her presidential, not mayoral, candidacy. Former Minister of Health, political advisor to Panamenista presidential

nomination candidate Alberto Vallarino, and close friend of Ameglio's, told Ambassador on March 6 that Ameglio and his extended family had gone on an extended vacation during which continuing his campaign for president (and funding it with the family's dairy wealth) would be debated. Vallarino and Panamenista presidential nomination candidate Juan Carlos Varela separately told POLCOUNS that they were engaged in conversations with Ameglio to encourage him to exit the race and throw his support to them. Recent polling by CID Gallup (reftel) indicated that Varela was the preferred option of Panamenista party members by a margin of two to one. Striving to prove he was more "electable" though, Vallarino entered into an agreement with former President Guillermo Endara (reftel), a long-time Panamenista but now the president of his own party, hoping to secure the support of Endara supporters in the Panamenista ranks and to demonstrate he was capable of forming an opposition alliance.

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Martinelli: Live by the Poll, Die by the Poll?  
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¶9. (C) "Martinelli always has a poll under his arm," Varela told the Ambassador on March 6. Democratic Change (CD) presidential candidate Ricardo Martinelli polls constantly, often has different companies run essentially the same poll in parallel, and has made his sustained presence at the top of the polls as his main argument to urge opposition parties to get behind him if they want to unify for victory and as his main weapon against the Panamenista-preferred inter-party primary as the best mechanism to unify the opposition. "Inevitably, Ricardo's numbers will come down. These other campaigns will begin taking up more political space," Martinelli political advisor Demetrio "Jimmy" Papadimitriou told POLCOUNS on March 5, "but it's hard to get him to really understand that." Following the "Pacto Chame" between Vallarino and Endara (reftel), Martinelli redoubled efforts to form an alliance with the Movement of Liberal Republican Nationalists (MOLIRENA).

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Ford: Seeking the Best Deal for Patriotic Union  
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¶10. (C) According to press reporting, Patriotic Union (UP) President and former 1st VP Guillermo "Billy" Ford is in the midst of a round of meetings with Martinelli, Varela, and Vallarino regarding formation of an alliance. Party co-VP Anibal Galindo is working closely with Martinelli, while the other co-VP Jose Raul Mulino prefers Vallarino. Ford, who told State's visiting Director for Central American affairs on January 18 that he preferred an alliance with the

Panamenistas appears to be sticking by his strategy to negotiate the best deal for UP.

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Comment  
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¶11. (C) Panama's May 2009 elections are shaping up to be the most wide open since democracy was restored in Panama in December 1989. There is no obvious PRD president contender, though Torrijos does appear to be starting now to try to catalyze a PRD consensus behind Navarro, the PRD's second best horse in the race, according to the polls, after Herrera who leads by a sizable amount. Though the PRD is perhaps in its least unified state in recent memory, the opposition too is in disarray and appears to have few prospects to advance significant unification over the next four months. Panamenista candidates must register by early May to run for the party's presidential nomination, by which point Ameglio may have dropped out. Out of desperation of slipping under the political waves, MOLIRENA is looking for an alliance partner, and Martinelli is courting them hard to close a deal before the end of May. As for the Panamenista party, Vallarino and Varela are locked in a what will likely prove to be a long and expensive campaign, and both have to face

the political reality that in general polls they both trail badly behind Martinelli. May therefore is shaping up to be the next important political period: Martinelli hopes to nail down an alliance partner and to sustain his independent campaign at its current altitude in the polls; Panamenistas will need to register for their presidential primary; and Herrera's forty-day period to ponder will be drawing to a close.

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